

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1729

IN THE MATTER OF:

Served August 5, 1977

Proposed Regulation Relating to)
LEASES OF EQUIPMENT)

Docket No. 388

Pursuant to Article II of the Compact, this Commission is charged with the duty to regulate and improve transit within the Metropolitan District.

It has been alleged before the Commission that, from time to time, it is necessary for carriers to lease vehicles and operators from various sources. This Commission has stated that, where the same party provides a vehicle and driver for the performance of transportation for hire of persons between points in the Metropolitan District, said party is presumed to control the transportation and be the carrier within the meaning of Title II, Article XII, Section 2(a) of the Compact. Other criteria utilized in determining who controls an operation have been set out in Commission Order Nos. 554 and 1665, in various proceedings before the Interstate Commerce Commission and judicial tribunals. It is possible that all these standards taken together may not be sufficiently unequivocal to provide adequate guidance for decision making.

It is the initial opinion of the Commission that adoption by us of a formal regulation relating to equipment leasing would be desirable. The purposes of such a regulation would be:

- (1) To promote the maximum efficient utilization of manpower and equipment consistent with the public interest and the law;
- (2) To inform persons subject to this Commission's jurisdiction what leasing practices may lawfully be conducted;
- (3) To assure clear identification of the carrier to the public and to the users of the service;
- (4) To identify the carrier whose tariff rates must apply to an operation;
- (5) To clearly identify responsibility for an operation;
- (6) To prevent circumvention of the Compact through "rental" of operating rights;

- (7) To prevent cross-jurisdictional abuse of vehicle licensing and registration requirements.

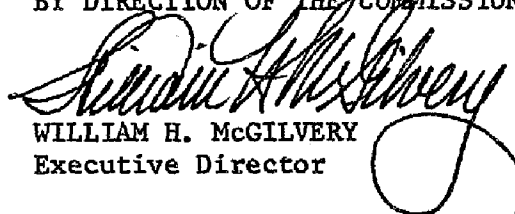
To this end, the Commission hereby is instituting a rulemaking proceeding for the purpose of adopting such a regulation. All carriers subject to the jurisdiction of the Commission will be made parties to the proceeding and shall be invited to suggest the form and content of such a regulation, consistent with the above-stated purposes. Carriers, and all other interested persons, are also invited to submit, in writing, any evidence -- either for or against the proposed regulation -- that they desire the Commission to consider. No oral hearing is contemplated.

It is anticipated that, following receipt of suggestions and comments from interested persons, the Commission will issue an interim order setting forth a proposed regulation. An additional opportunity for comment will be provided.

THEREFORE, IT IS ORDERED:

1. That the above-captioned proceeding be, and it is hereby, instituted for the purpose of adopting a regulation relating to leases of equipment.
2. That all carriers certificated by the Commission be, and they are hereby, made parties to this proceeding.
3. That all persons, including carriers, interested in suggesting the form and content of such regulation or in commenting thereon, be, and they are hereby, directed to file their representations, in writing at the office of the Commission, Suite 316, 1625 I Street, N. W., Washington, D. C. 20006, no later than Friday, September 9, 1977.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director